Labour Market Bulletin

Newfoundland and Labrador

May 2018

This Labour Market Bulletin is a report providing an analysis of Labour Force Survey results for the province of Newfoundland and Labrador, including the regions of Avalon Peninsula, West Coast—Northern Peninsula—Labrador, Notre Dame—Central Bonavista Bay and South Coast—Burin Peninsula.

OVERVIEW

The unemployment rate remained unchanged at 14.5% in May, due to a modest increase in employment and labour force size. While part-time employment had an impressive gain, full-time employment declined by nearly the same number of jobs. On a year-over-year basis, the unemployment rate was slightly lower, as a small decline in employment was accompanied by a bigger drop in the size of the labour force. Newfoundland and Labrador was the only province whose working age population and employment shrank.

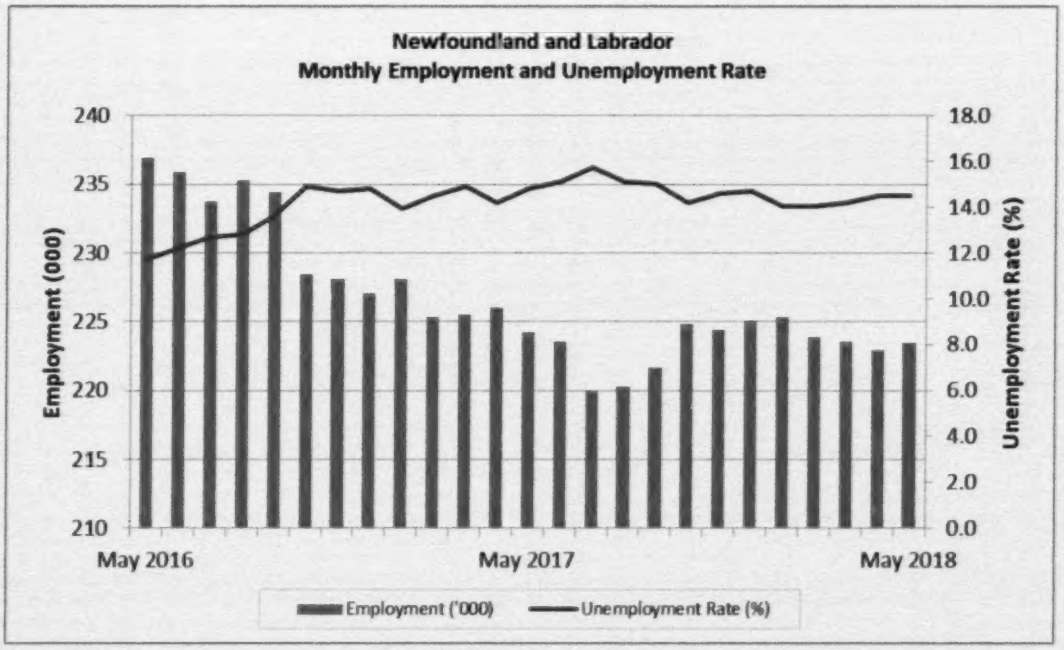
Newfoundland and Labrador Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	May 2018	Apr 2018	May 2017	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	444.2	444.2	445.8	0.0	0.0	-1.6	-0.4
Labour Force ('000)	261.2	260.8	263.4	0.4	0.2	-2.2	-0.8
Employment ('000)	223.4	222.9	224.2	0.5	0.2	-0.8	-0.4
Full-Time ('000)	186.3	191.2	192.3	-4.9	-2.6	-6.0	-3.1
Part-Time ('000)	37.1	31.8	31.9	5.3	16.7	5.2	16.3
Unemployment ('000)	37.8	37.9	39.1	-0.1	-0.3	-1.3	-3.3
Unemployment Rate (%)	14.5	14.5	14.8	0.0	-	-0.3	-
Participation Rate (%)	58.8	58.7	59.1	0.1	-	-0.3	-
Employment Rate (%)	50.3	50.2	50.3	0.1	-	0.0	-

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0287

A sustained decline in employment since the spring of 2016 had brought the unemployment rate to a seven-year high of 15.7% in July 2017. Since October of last year, however, the unemployment rate has remained around 14% as the decline in employment was matched by a similar reduction in the size of the labour force. Despite having fallen somewhat from its peak during the summer of 2017, the unemployment rate remains notably elevated compared to its 2013 and 2014 levels of below 12%.



The youth (aged 15 to 24 years) unemployment rate (21.7%) had a strong increase, up 5.4 percentage points in May, compared to the previous month. The main reason was a loss of 1,100 jobs month-over-month, while more youth were active in the labour market. May's unemployment rate for this group was unusually high compared to rates over the past year. Further data in the coming months will better determine if this change truly reflected labour market conditions for youth, or if it was a statistical anomaly.

Among males 25 years and older, the unemployment rate decreased from the previous month. May was a positive month for this group as the number of jobs increased and more people were active in the labour market.

The lower unemployment rate in May compared to April for females 25 years and over would be typically interpreted as a positive event. However, some caution is necessary in making this assumption, since the lower unemployment rate was due to fewer jobs reported for this group and a drop in the number of females participating in the labour market. In addition, May's employment loss from the previous month was in full-time positions. Employment declines have been common for this group in recent months.

Newfoundland and Labrador Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	May 2018	Apr 2018	May 2017	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
Total	14.5	14.5	14.8	0.0	-0.3
25 years and over	13.4	14.3	14.4	-0.9	-1.0
Men - 25 years and over	16.6	18.1	18.2	-1.5	-1.6
Women - 25 years and over	9.9	10.3	10.3	-0.4	-0.4
15 to 24 years	21.7	16.3	17.9	5.4	3.8
Men - 15 to 24 years	22.6	16.6	22.2	6.0	0.4
Women - 15 to 24 years	20.7	16.1	13.0	4.6	7.7

Source: Statistics Canada Labour Force Survey – Table 14-10-0287

EMPLOYMENT BY INDUSTRY

Overall, there was little notable change in employment for most industries over the previous month. A small employment gain in the **Services-producing sector** was partially offset by a slight loss in the **Goods-producing sector**. **Manufacturing** employment declined in May, bringing it to the third-lowest level on record for this industry. Employment in food manufacturing continues to be relatively subdued, given some of the negative pressures impacting the industry, including quota cuts for crab and shrimp. Employment in **Forestry, fishing, mining, quarrying and oil and gas** has been fairly stable in recent months after declining over the past few years. Most of the weakness in recent years has been concentrated in **Mining and oil and gas extraction**, where employment levels have fallen substantially over the better part of the past decade, as several major projects wrap up.

The **Services-producing sector** gained 600 jobs compared to the previous month. **Wholesale and retail trade** had the sector's strongest increase among industries, a departure from the losses (-4,000) experienced over the past year. Since last summer, there has been a rebound in **Finance, insurance, real estate and leasing**. This trend continued in May with an increase in employment. The industry had experienced a decline as the provincial economy worsened, but the recent sustained growth over the past year indicates that the bottom of the downturn seems to have occurred. While the monthly employment change in **Accommodation and food services** was minimal, this industry has registered substantial growth on a year-over-year basis.

Newfoundland and Labrador Monthly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	May 2018	Apr 2018	May 2017	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	223.4	222.9	224.2	0.5	0.2	-0.8	-0.4
Goods-producing sector	45.9	46.1	45.7	-0.2	-0.4	0.2	0.4
Agriculture	1.8	1.8	1.7	0.0	0.0	0.1	5.9
Forestry, fishing, mining, quarrying, oil and gas	11.9	11.4	12.2	0.5	4.4	-0.3	-2.5
Utilities	3.5	3.3	2.7	0.2	6.1	0.8	29.6
Construction	20.3	20.4	20.0	-0.1	-0.5	0.3	1.5
Manufacturing	8.4	9.1	9.2	-0.7	-7.7	-0.8	-8.7
Services-producing sector	177.5	176.9	178.5	0.6	0.3	-1.0	-0.6
Trade	38.0	36.4	42.0	1.6	4.4	-4.0	-9.5
Transportation and warehousing	10.9	11.0	10.7	-0.1	-0.9	0.2	1.9
Finance, insurance, real estate and leasing	7.6	7.0	6.1	0.6	8.6	1.5	24.6
Professional, scientific and technical services	9.3	9.3	10.2	0.0	0.0	-0.9	-8.8
Business, building and other support services	6.3	6.4	7.0	-0.1	-1.6	-0.7	-10.0
Educational services	15.9	15.8	15.0	0.1	0.6	0.9	6.0
Health care and social assistance	38.9	39.3	40.4	-0.4	-1.0	-1.5	-3.7
Information, culture and recreation	6.9	6.8	6.0	0.1	1.5	0.9	15.0
Accommodation and food services	16.5	16.6	14.4	-0.1	-0.6	2.1	14.6
Other services	11.3	12.0	11.4	-0.7	-5.8	-0.1	-0.9
Public administration	15.7	16.3	15.4	-0.6	-3.7	0.3	1.9

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0355

REGIONAL ANALYSIS

The unemployment rate on the **Avalon Peninsula** increased by 1.5 percentage points since May of 2017, as employment declined faster than the size of the labour force. Compared to three years ago, employment in this economic region has declined by nearly 11,000 jobs, with most of the loss occurring in full-time positions. Job losses in May were concentrated in services-producing industries, with **Trade** and **Educational services** reporting the largest declines. **Finance, insurance, real estate and leasing** reported employment gains in recent months,

showing signs of a rebound. Employment in the **Goods-producing sector** increased for the fifth straight month after a long period of losses. Most of this sector's gain in May was in **Construction**.

The **South Coast–Burin Peninsula and Notre Dame-Central-Bonavista Bay** region's unemployment rate declined in May from twelve months earlier. Employment increased by 2,800 jobs, the seventh month in a row with a gain. While **Educational services** and **Accommodation and food services** have both been growing in recent months, losses have been reported for an extended period in **Professional, scientific and technical services** and **Health care and social assistance**.

In the **West Coast–Northern Peninsula–Labrador** region, the unemployment rate dropped by nearly three percentage points compared to May of 2017. This decline was mainly due to a fall in the number of people who were active in the labour market. Of note, an employment loss was reported in May, the region's first decline since the middle of 2017. The drop in employment was mainly in the **Goods-producing sector**, while the **Services-producing sector** had a small increase in the number of jobs, led by **Educational services**. This industry has been leading the region's employment gains in recent months.

Newfoundland and Labrador Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	May 2018 ('000)	May 2017 ('000)	Yearly Variation (%)	May 2018 (%)	May 2017 (%)	Yearly Variation (% points)
Newfoundland and Labrador	219.8	221.0	-0.5	15.6	16.0	-0.4
Economic Regions						
Avalon Peninsula	128.8	132.0	-2.4	12.1	10.6	1.5
South Coast-Burin Peninsula and Notre Dame-Central Bonavista Bay	51.6	48.8	5.7	20.7	24.1	-3.4
West Coast-Northern Peninsula-Labrador	39.4	40.2	-2.0	19.3	21.8	-2.5

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0293

***Note:** In preparing this document, the authors have taken care to provide clients with labour market information that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.*

***Prepared by**: Labour Market Analysis Directorate, Service Canada, Atlantic Region*
***For further information**, please contact the LMI team at:*
http://www.esdc.gc.ca/cgi-bin/contact/edsc-esdc/eng/contact_us.aspx?section=lmi
***For information on the Labour Force Survey**, please visit the Statistics Canada Web site at: www.statcan.gc.ca*

© Her Majesty the Queen in Right of Canada as represented by Employment and Social Development Canada, 2018, all rights reserved